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LOW-INCOME PROGRAMS REVIEW

What We Recommend

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MLA Committee to Review Low-Income Programs

November 2001

LETTER TO THE MINISTER

Honourable Minister Dunford,

As the MLA Committee to Review Low-Income Programs, we are pleased to provide our report and recommendations for the future.

We want to begin by thanking the thousands of Albertans from across the province who provided their comments and suggestions to our Committee during the review. Low-income Albertans, representatives of many organizations, program staff, researchers and others contributed to our discussions and deliberations in various ways. Much of their input was provided during the summer months — a busy time for families and individuals — and their contribution in time and energy showed a high interest and commitment toward the programs we reviewed. As well, we want to thank Anne Ward Neville, Project Director for the review, and Vasant Chotai, Manager for Policy and Project Support, together with our consultants and other project staff, who worked diligently with the MLA Committee and supported us throughout the review.

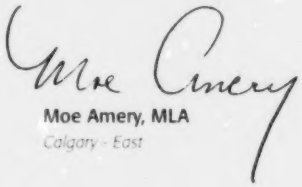
We learned that many provincial programs and services work well and are delivered effectively, that valuable lessons have been learned over the years and improvements made, that program staff are dedicated and competent, and that many of the needs of low-income Albertans are being met.

At the same time we identified a number of important issues that suggest the need for fundamental changes in the way programs and services for low-income Albertans are structured and delivered. The central elements of our proposed changes include one consolidated low-income program; flexible, equitable and responsive support levels and benefits; new incentives for employment; extending benefits to low-income working Albertans; and "one-window" access for clients.

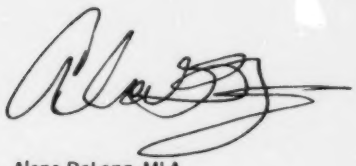
The MLA Committee intends that the changes arising from the review will improve the lives of low-income Albertans. Taken together, we believe the recommendations will provide for Albertans' needs and support Albertans' desire for self-sufficiency and independence.

We believe the proposals described in this report will reinforce the value Albertans place on work and the province's historical leadership in providing programs for low-income individuals and families. We encourage you to carefully consider our findings and recommendations.

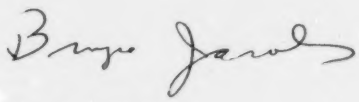
Thomas Lukaszuk, MLA, Chair
Edmonton - Castle Downs



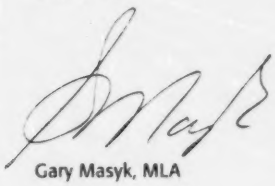
Moe Amery, MLA
Calgary - East



Alana DeLong, MLA
Calgary - Bow



Broyce Jacobs, MLA
Cardston - Taber - Warner



Gary Masyk, MLA
Edmonton - Norwood

PURPOSES OF THE REVIEW

In June of 2001, the Honourable Clint Dunford, Minister of Alberta Human Resources and Employment (AHRE), appointed an MLA Committee to review the department's programs and services that support low-income Albertans. These programs and services are:

THE BASIC QUESTION PRESENTED TO THE COMMITTEE WAS:

How should Alberta Human Resources and Employment programs support low-income individuals and families to meet the challenges they face entering the 21st century?

The MLA Committee probed for the answers to this question through an extensive consultation process involving a discussion guide, questionnaire submissions and letters, and through focus groups and workshops held in various parts of the province. A separate ***What We Heard*** report documents the comments received from Albertans through the review process.

The MLA Committee also visited program offices, and reviewed background reports and other relevant information. From all these inputs, the Committee analyzed program issues, potential solutions and implications.

In this report, the MLA Committee describes its vision for the future of AHRE's low-income programs and services, with recommendations for the changes needed to achieve that vision. These recommendations respond to the needs identified for enhanced support to Albertans, more incentives for

independence, greater equity among programs, added program flexibility and simplicity, and improved program access and delivery.

It is the MLA Committee's considered opinion that the changes will provide a sound foundation for the province's support of Albertans who require help to meet their basic needs and become more self-reliant.

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GUIDING GOALS AND PRINCIPLES

A number of strategic goals taken from the Government of Alberta's *Measuring Up*[1] report served as important touchstones for the MLA Committee. These include the following:

Goal: Albertans will be independent.

> ... and part of helping Albertans become independent is ensuring they have the knowledge and skills necessary to participate in a changing economy and work force...

Goal: Our workforce will be skilled and productive.

> ... and this requires ... skill development...

Goal: Albertans unable to provide for their basic needs will receive help.

> ... and Alberta is committed to providing a safety net...

Goal: Albertans will be healthy.

> ... and the accessibility to health care services is an important factor...

Goal: Our children will be well cared for, safe, successful at learning, and healthy.

> ... and low incomes affect children and their families in negative ways...

It is the MLA Committee's view that the province's strengths are based on the significance Albertans place on self-reliance, work, and volunteerism. The Committee believes it is important to reinforce those values through the programs and services provided by AHRE.

[1] *Measuring Up* is the performance summary contained in the 2000/2001 annual report of the Government of Alberta.

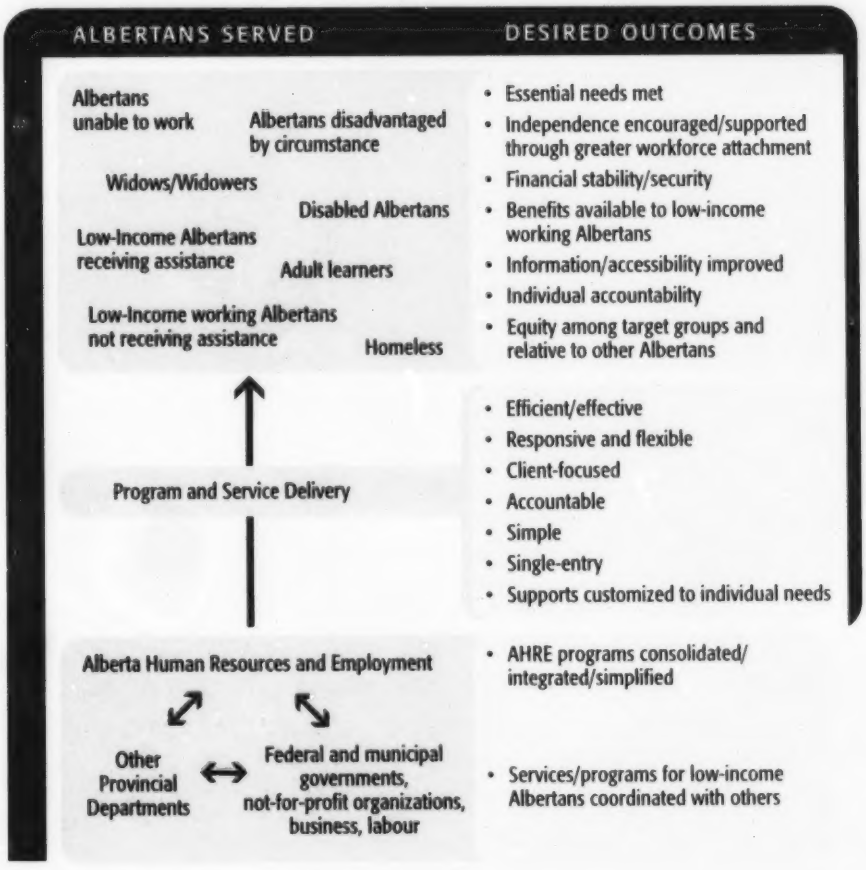
Several fundamental principles have also guided the MLA Committee and served as reference points for its recommendations, namely that:

- All Albertans must be treated with fairness and equity.
- The dignity of all Albertans and their diverse needs must be respected.
- Access to essential social programs and services must be assured for all Albertans and full information about those programs should be available.
- Appropriate assistance must be provided to those in need.
- Albertans' privacy must be protected.
- Programs and services must be developed and delivered effectively and efficiently.
- No specific client groups should be negatively affected by program and service changes arising from the review.

The MLA Committee also recognizes the fundamental need of the Alberta government to work closely with other levels of government, volunteer organizations and community groups, and business and labour organizations, to ensure that any system of services and programs meets the needs of low-income Albertans. Alberta Human Resources and Employment represents only one component — albeit a very important one — of a larger, interconnected system of programs and services that affect low-income individuals and families.

SUPPORTS TO LOW-INCOME ALBERTANS: THE COMMITTEE'S VISION

The MLA Committee has developed a vision of a support system for low-income Albertans. That vision provides a reference point for assessing current programs and services and developing recommendations. The system, conceptualized below, provides the necessary income and supports to Albertans in need and assists those who are able to work to achieve their full employment potential.



ISSUES IDENTIFIED

The MLA Committee identified a number of program and service issues that need to be addressed to reach its long term vision. These issues, which were identified through the consultation process and the MLA Committee's independent analysis and assessment, are summarized below.

Levels of Financial Support

Current benefit levels do not meet the needs of many Albertans who rely on income support. The support system is not flexible enough to meet the higher costs of living in certain communities, especially where housing is more expensive. Adjustments to support levels to recognize these higher costs are neither responsive nor timely. Disparities in support exist between various client groups, and relative to low-income working Albertans.

Independence and Self-Sufficiency

AHRE's existing programs and services do not adequately encourage and support Albertans who are able to work to reach their full employment potential — to progress from unemployment to part-time or full-employment, or to move from lower skilled, lower paying jobs to more highly skilled and higher paying jobs. Current income support programs often discourage people from working and becoming self-sufficient. Low-income working Albertans are unable to access some services and supports, such as extended health benefits for adults, and training and shelter benefits. Those benefits would reduce the risks of leaving income support, increase financial security, and help low-income Albertans find and keep more highly skilled jobs with higher earning potential.

Albertans who cannot be fully independent should be supported to allow them to participate in society to the full extent of their ability.

Program and Service Organization

The MLA Committee saw evidence that AHRE's programs and services are overly complex and insufficiently responsive when trying to meet the diverse and often unique circumstances and needs of low-income Albertans. AHRE often requires clients to access different programs and services in many different locations.

Program Delivery and Information

The current support system is complex and can be difficult to understand. Information about the various programs is often not available from a single source, and those in the client group often find it hard to determine program eligibility criteria. As well, some low-income Albertans who provided input to the MLA Committee felt that program staff do not always respond with understanding or sensitivity to the people who turn to them for assistance.

Program Coordination and Alignment

It became clear to the MLA Committee that other government ministries and departments as well as various non-governmental, not-for-profit service organizations and agencies are involved in the delivery of health, housing and food, and other programs that benefit low-income adults and families. These services are often closely inter-related, with changes in policies and programs in one area having significant implications for others. The primary focus of this review was on AHRE programs, but they do not work in isolation from the programs of other service delivery organizations. An improved system-wide coordination of low-income programs and services is needed.

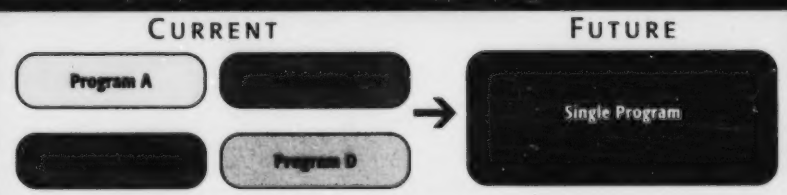
OVERVIEW OF PROPOSED SUPPORT FRAMEWORK

The MLA Committee is proposing a fundamental change in the way AHRE's programs and services to low-income Albertans are viewed, structured, and delivered. This change is consistent with the MLA Committee's program vision — described earlier — and it addresses a number of the key issues identified during the review. The proposed low-income support program will enhance support levels and encourage and assist all low-income Albertans to reach their full employment potential and achieve greater independence.

The cornerstones of the proposed new low-income support program are illustrated here. They include the following key features:

- The primary feature of the proposed low-income support program is that it consolidates existing income support programs into a single integrated program, with the flexibility to meet unique client needs and circumstances (Fig. 1).

The Proposed Low-Income Program: Fig. 1
Reduced complexity, consolidated income support program

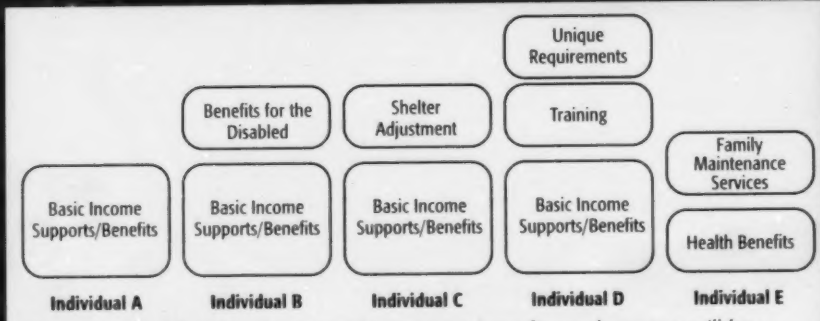


Consolidating various income supports/benefits programs into a single, flexible program with a single entry point for clients.

- The new program will allow simplified access through a single point of entry. The program will provide standardized benefits for families and individuals having the same needs, but will make additional

benefits available to meet the specific needs of various client groups. It will have the flexibility to address unique and pressing local and individual circumstances. Low-income working Albertans who are now ineligible for income and benefit support will gain access to adult health benefits, shelter benefits in high-cost areas, assistance with children's school expenses, transportation supports, and training programs (Fig. 2).

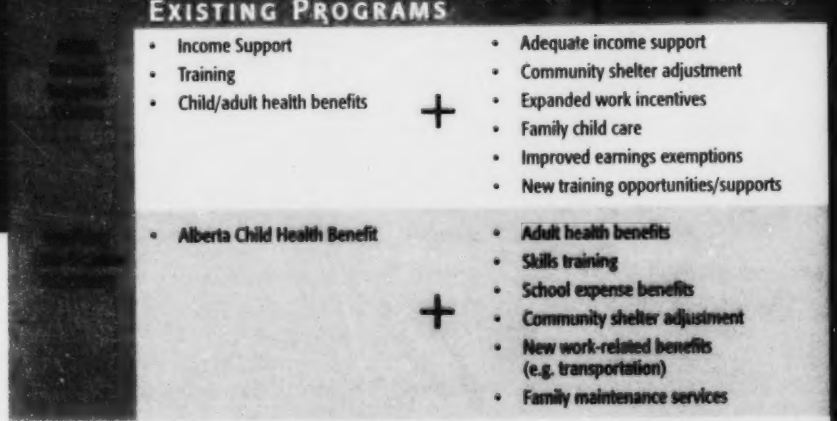
Fig.2 The Proposed Low-Income Program:
A building block approach



Through a building-block approach, program benefits and support will be customized to the needs of individuals.

- The program will offer a broader range of services to clients, providing AHRE with a greater capacity to meet the needs of low-income Albertans. These services will strengthen attachment to the workforce. People will remain self-reliant instead of turning to AHRE's income support program for assistance (Fig. 3).

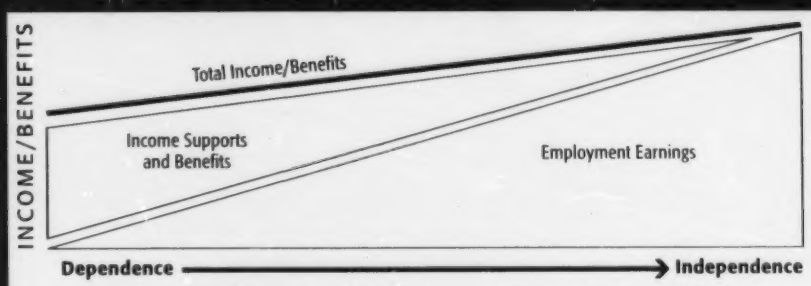
Fig.3 The Proposed Low-Income Program:
New supports and portable benefits to those "inside" and "outside" AHRE's program



An expanded array of supports will be available to low-income Albertans to meet their needs and maximize their employment participation and opportunities.

- The new program will encourage low-income Albertans to progress toward greater levels of self-reliance. As their earnings increase, their benefits are reduced (Fig. 4).

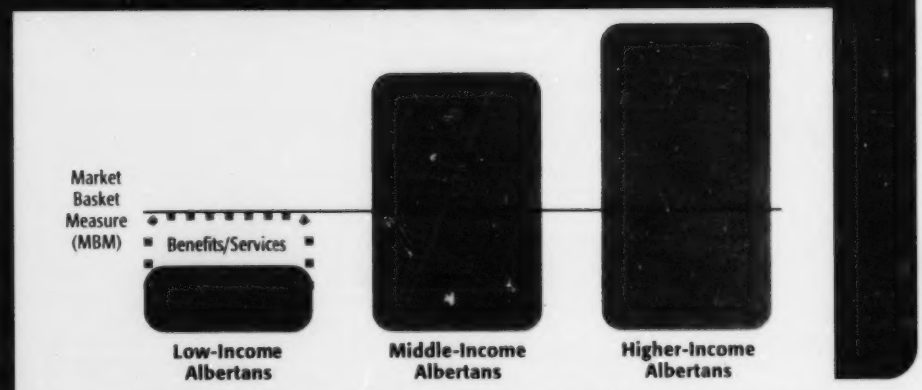
The Proposed Low-Income Program: Fig. 4
Income supports and benefits adjusted with increased independence



An exemption is applied to all earnings. As employment earnings increase, income supports and benefits decline. Income and benefits outside the support system exceed those within.

- The Market Basket Measure (MBM) is the proposed target minimum level for supports to low-income Albertans. The MBM establishes the minimum income required to purchase a "basket" of goods that includes housing, food, clothing, transportation, personal hygiene and household supplies, furniture, telephone service, and some reading, recreation, and entertainment. The MBM level varies by five different community types. Human Resources Development Canada is expected to release updated MBM data late in 2002 (Fig. 5).

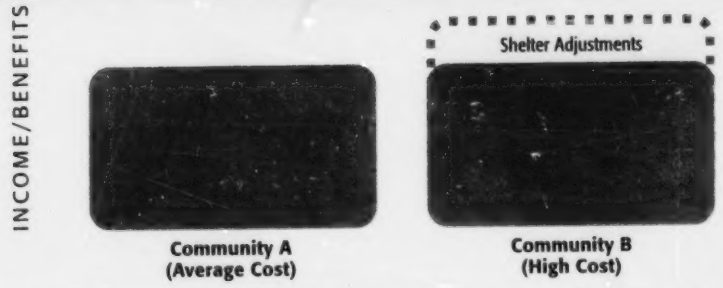
The Proposed Low-Income Program: Fig. 5
Income supports and benefits adjusted to the Market Basket Measure



Market Basket Measure is the target minimum income level for Albertans. Where income does not reach the MBM, supports are provided to low-income Albertans.

- The new program includes adjustments for extraordinary shelter costs in high-growth, high-cost areas, for both income support clients and low-income working families who do not access income support. (Fig. 6).

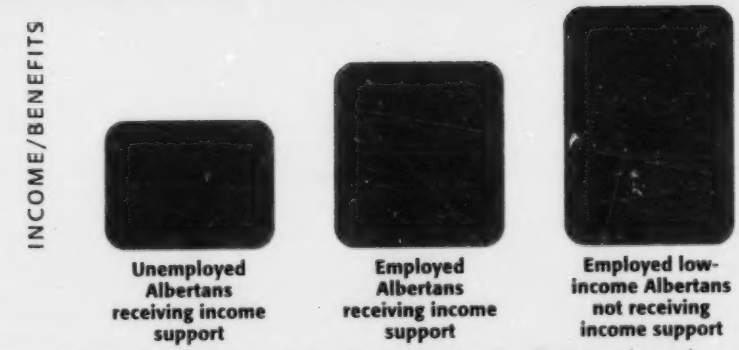
Fig.6 The Proposed Low-Income Program:
Local cost differences recognized



Shelter adjustments for high-cost areas—for those receiving income support and low-income working Albertans.

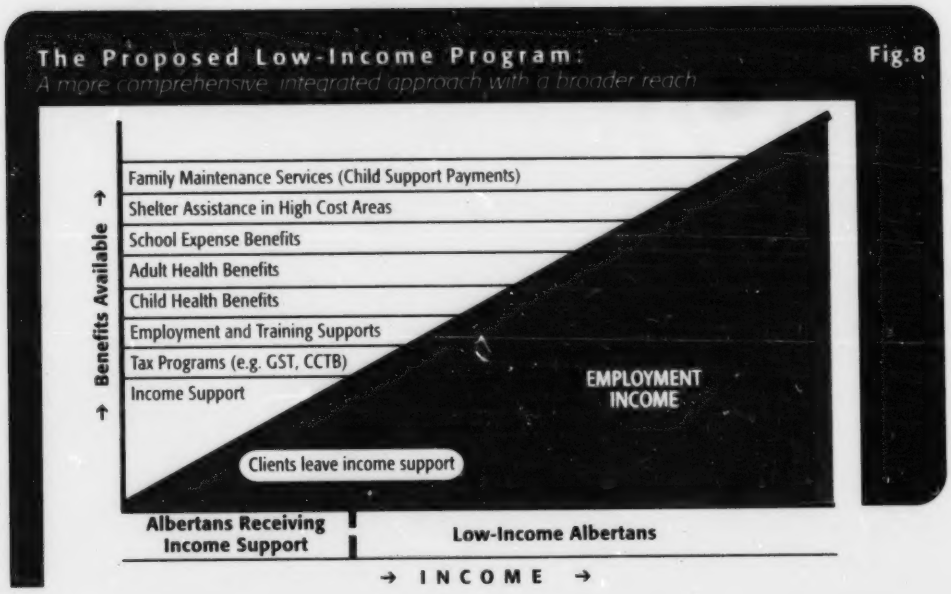
- The program will provide some benefits to all low-income working Albertans, including income support clients who leave the program. Income support clients will be able to have more of their employment earnings exempt from benefit calculations, which will be an incentive to become independent and self-reliant (Fig. 7).

Fig.7 The Proposed Low-Income Program:
For employable Albertans, added incentives for self-sufficiency


INCOME/BENEFITS
Unemployed Albertans receiving income support
Employed Albertans receiving income support
Employed low-income Albertans not receiving income support

Greater incentives for work force attachment and self-sufficiency, through income retention, transitional support, new benefits (health, employment and training, school expenses) to all low-income working Albertans. Combined incomes and benefits for those outside the income support system exceed those within.

Summary



The new low-income support program will offer the following benefits to low-income Albertans:

- enhanced program supports;
- expanded employment opportunities and incentives;
- extended eligibility;
- improved access;
- increased responsiveness to individual, family and local needs;
- increased effectiveness and efficiency in program administration and delivery; and
- low-income working Albertans outside the income support system will always be better off.

The MLA Committee recognizes that the proposed changes represent a significant departure from the current system. The recommended low-income support program will likely need to be phased-in over time. A number of bridging measures will be required to move smoothly from the present system to the new program, and to ensure that no current income support client groups are negatively affected.

The MLA Committee's more detailed recommendations are described in the following section of the report.

MLA COMMITTEE RECOMMENDATIONS

The key recommendation of the MLA Committee is to adopt the proposed new low-income support program outlined in the previous section. AHRE's current income support programs would be consolidated into this single program, which would have the flexibility to respond to individual and family needs and circumstances and local shelter costs. The Market Basket Measure would be adopted as the targeted minimum income level for all Alberta families, whether they rely on income support or work in jobs that provide an income lower than the Market Basket Measure level. Certain benefits previously available only to Albertans who rely on income support would be extended to low-income working Albertans to enhance their financial security and potential for self-reliance.

The MLA Committee's more detailed recommendations are summarized below under three main areas: Programs and Services, Delivery, and Information. The Committee is also proposing a way to coordinate the programs and services provided by the Government of Alberta for low-income Albertans.

I. PROGRAMS AND SERVICES

RECOMMENDATION #1

Consolidate AHRE income support programs (SFI, AISH, Widows' Pension, and Skills Development Program student living allowance) into a new, single integrated low-income support program.

EXPECTED OUTCOMES:

i) Reduced program complexity for clients and staff.

ii) Easier access to programs and supports to help low-income Albertans achieve their potential for independence.

iii) Enhanced capacity of staff to respond to individual client needs and unique circumstances.

iv) Greater equity in the amount of financial support provided for clients with similar needs and family circumstances.

v) Improved service delivery efficiency and effectiveness.

COMMITTEE PROPOSAL:

✓ Consolidate AHRE's four current low-income support programs into one program with integrated benefits and supports that assist Albertans in achieving and maintaining their potential for independence.

RECOMMENDATION #2

Provide enhanced and more flexible financial support.

EXPECTED OUTCOMES:

i) Low-income Albertans will have resources sufficient to meet their basic needs.

ii) Low-income Albertans with disabilities or other barriers that prevent them from working will receive adequate and assured income support.

iii) The support system will be responsive to differences in regional circumstances, unique family and individual needs, and unforeseen client emergencies.

COMMITTEE PROPOSALS:

- ✓ Phase-in the Market Basket Measure (MBM) as the targeted minimum income threshold.
- ✓ Adjust the income supports for clients whose combined incomes and benefits do not meet the MBM.
- ✓ Provide adjustments for income support clients to meet local and regional cost differences not recognized in the MBM, such as rural transportation costs.
- ✓ Provide the flexibility to assist low-income Albertans with meeting unforeseen emergency needs.
- ✓ Provide shelter support to all low-income Albertans in high-cost, high-growth communities with extraordinary housing costs.
- ✓ Allow shelter benefits for clients living with family members, to offset the additional costs associated with providing accommodation (e.g., increased utility costs).
- ✓ Together with other government and community service providers, identify an approach to assist people with no fixed address.

RECOMMENDATION #3

Introduce new supports and other measures to encourage work and provide a smooth transition to independence for income support clients able to work.

EXPECTED OUTCOMES:

i) Working will be financially more attractive than income support for low-income Albertans who are between jobs.

ii) Participation of income support clients in work, both paid and volunteer, to their full capabilities.

iii) Increased client confidence and self-esteem.

iv) Increased ability of income support clients to become independent and stay independent.

COMMITTEE PROPOSALS:

- ✓ For income support clients, introduce stronger work incentives including expanded access to allowances for work-related costs and transportation, increased earnings exemptions, new training opportunities, and continued health and school expense benefits when clients leave income assistance.
- ✓ Pay non-custodial family members for childcare so parents receiving income support can participate in education or training programs, look for work, or work.

RECOMMENDATION #4

Introduce new supports and other measures to assist low-income Albertans not receiving income support from AHRE to enhance their financial security and maintain their independence.

EXPECTED OUTCOMES:

i) More financially secure low-income Albertans outside the income support system.

ii) For low-income Albertans outside the income support system, enhanced work force attachment and stability, new opportunities for training and employment advancement, and reduced inequities relative to those within the province's income safety net.

iii) Healthier low-income families.

COMMITTEE PROPOSALS:

- ✓ Provide supplementary medical benefits for low-income adults not receiving income support, with coverage for prescription drugs, glasses, dental care, essential diabetic supplies, and emergency ambulance services.
- ✓ Provide Family Maintenance services to all low-income custodial parents to help them to obtain agreements or court orders for child support.
- ✓ Provide school expense supports (K-12) for all children in low-income families.
- ✓ Provide training benefits (including assistance toward part-time studies and short-term skill upgrading programs) and work-related supports (including transportation supports) to low-income working Albertans who are currently ineligible for these benefits.

RECOMMENDATION #5

Rationalize program eligibility criteria between various client groups.

EXPECTED OUTCOMES:

i) Equitable eligibility requirements and benefits among different client groups.

ii) Clear understanding among clients and program staff regarding program eligibility. Simplified client assessment and program administration.

iii) Program eligibility based on present-day circumstances and conditions.

COMMITTEE PROPOSALS:

✓ Design a simple and clear eligibility and assessment system for the new low-income support program.

✓ Set the asset and income levels for program eligibility and supports so they are equitable between all client groups.

II. PROGRAM AND SERVICE DELIVERY

RECOMMENDATION #6

Improve the customer focus of the current delivery system.

EXPECTED OUTCOMES:

i) Increased client satisfaction with the services provided by AHRE.

ii) AHRE is viewed as providing professional and personal service, and is seen as open, transparent, and accessible.

COMMITTEE PROPOSALS:

✓ Provide training in customer service, cultural sensitivity, and disability/ability awareness to all AHRE front-line staff who are in contact with the general public.

✓ Expand staff training to ensure a solid understanding of the range of supports offered by AHRE and the more comprehensive approach to be taken in meeting client needs.

✓ Strengthen the assessment of client capabilities in order to provide appropriate supports to help clients maximize their potential for independence. Reassess client capabilities on a regular basis through an independent medical examination.

✓ Strengthen the monitoring of client's progress toward independence, adjusting supports, including training supports, as required.

RECOMMENDATION #7

Introduce a simplified and more independent appeal process for clients.

EXPECTED OUTCOMES:

i) The assessment, eligibility and administrative decisions of AHRE programs are fair and impartial.

ii) A fair, efficient and timely appeal process.

COMMITTEE PROPOSALS:

✓ Reduce the number of appeal panels within AHRE. Develop and introduce a new and independent single-window appeal system that replaces other appeal processes elsewhere in AHRE.

✓ Increase access to the AHRE appeals process by allowing direct filing of appeals to appeal panel chairs (or the secretariat) and increasing the use of teleconferencing for appeal hearings.

RECOMMENDATION #8

Change the current system for delivering income support to off-reserve Albertans with treaty status.

EXPECTED OUTCOMES:

i) Income support for off-reserve Albertans with treaty status is delivered in a fair, consistent and equitable manner.

ii) Albertans with treaty status clearly understand the programs and services they can access and which organization is responsible for administering the program or service.

iii) Services to low-income Albertans with treaty status living off-reserve are not duplicated and are delivered with sensitivity.

COMMITTEE PROPOSAL:

✓ Change the existing mixed system of delivering SFI services so AHRE delivers income support directly to Albertans with treaty status living off-reserve. This change will allow for a smooth transition to the single income support program.

III. INFORMATION AND COMMUNICATION

RECOMMENDATION #9

Improve the availability, clarity, and communication of information relating to low-income programs and services.

EXPECTED OUTCOMES:

i) Improved accessibility to eligible programs and services for low-income Albertans. Albertans have choices in how, when, and where they can access AHRE programs and services.

ii) Improved equity within the low-income service population.

iii) Low-income Albertans' basic needs are met.

iv) More Albertans will become independent and self-reliant through stronger work force attachment.

v) Healthier low-income families.

COMMITTEE PROPOSALS:

✓ Provide training to all front-line AHRE staff about the programs and services available to low-income Albertans through AHRE, other Alberta government departments, and other organizations. The training should provide staff with knowledge of the programs available, the eligibility criteria for programs and services, and how low-income Albertans can access the programs and services.

✓ Adopt new approaches for communicating program information and eligibility criteria (e.g., web-based, via other non-profit organizations, through employers and unions, in conjunction with other provincial and federal programs, etc.). This is particularly important given the proposed extension of program benefits to a new group of low-income Albertans not currently served by AHRE.

✓ Increase awareness of the AHRE appeal process, including how to access appeal panels directly, among low-income Albertans.

IV. OVERSEEING THE IMPLEMENTATION OF THE NEW LOW-INCOME SUPPORT PROGRAM

RECOMMENDATION #10

Appoint an independent committee to oversee the implementation of the new AHRE low-income support program.

DISCUSSION:

The MLA Committee is recommending fundamental changes to the structure and delivery of AHRE's programs and services for low-income Albertans. The magnitude, complexity, and potential sensitivity of the proposed changes to the new low-income support program means that great care must be taken to ensure that the implementation is smooth and the intended outcomes are achieved.

The Committee suggests that an independent committee be appointed to oversee the implementation of the new low-income support model.

The committee would act as a liaison between stakeholders, AHRE and other ministries delivering low-income programs.

V. MONITORING THE OUTCOMES OF THE NEW LOW-INCOME SUPPORT PROGRAM

RECOMMENDATION #11

Monitor the outcomes of the new low-income support program.

COMMITTEE PROPOSAL:

✓ The MLA Committee suggests that the implementation of the proposed new income support program be monitored to determine whether the intended outcomes are being achieved, using the following performance measures:

- Financial improvement for low-income Albertans as a result of the support provided.
- Proportion of Alberta families with incomes above the Market Basket Measure.
- Proportion of former income support clients able to remain self-sufficient after they leave the income support system.
- Employment stability and earnings of clients after they leave the income support program.

VI. COORDINATION OF SERVICES

PROPOSED ACTION

Launch an interdepartmental initiative to ensure that the Alberta government's various services and programs for low-income Albertans are delivered in a consistent, coordinated, and effective manner.

EXPECTED OUTCOMES:

i) Greater access to low-income Alberta government programs.

ii) Improved efficiency and effectiveness in the government's delivery of social programs and services through improved program integration and linkage, "one-window" access to low-income programs and supports, coordinated information dissemination, and data sharing.

COMMITTEE PROPOSAL:

✓ Initiate an inter-departmental process to ensure that the development of the proposed new low-income support model is coordinated with the programs and services delivered by other ministries that serve low-income Albertans, particularly Health and Wellness, Children's Services, Seniors (housing), Learning, Justice and Attorney General, and Community Development.

VII. RECOMMENDATIONS FOR IMMEDIATE CHANGES TO AHRE'S EXISTING PROGRAMS

The MLA Committee recognizes that it will take time for AHRE to implement the proposed model for the structure and delivery of programs for low-income Albertans. The Committee also recognizes there are pressing issues facing low-income Albertans that AHRE should address immediately.

The Committee recommends that AHRE make the following changes to its existing programs while bridging to the proposed new low-income support program:

✓ Increase SFI shelter benefits, particularly for single adults and single parents, and clients living in high cost communities.

✓ Provide extended health benefits to all SFI and AISH clients leaving income support programs.

✓ Improve work incentives by:

- increasing the amount of earnings SFI clients can keep before benefits are reduced;
- providing increased support to help clients meet the costs of getting and keeping a job (including transportation costs); and

- paying non-custodial family members to care for the children of SFI clients while engaged in work related activities.

✓ Improve access to, and information about, existing low-income programs and supports by:

- promoting the Alberta Child Health Benefit to increase the number of children in low-income families benefiting from the program;
- providing complete and accurate information about AHRE's programs and services on the department's website; and
- training AHRE front-line staff so they are better able to provide information to low-income Albertans about available programs.

✓ Provide AHRE staff with sensitivity and cultural awareness training, and training to assess client capabilities, as required.

✓ Provide direct access to AHRE appeal panels.

CONCLUDING COMMENTS

The MLA Committee would like to thank everyone who participated in the review of the programs delivered by AHRE for low-income Albertans. These people have played a key role in shaping the proposed future direction for programs and services for low-income Albertans.

The Committee is confident that implementing the recommendations presented in this report will improve the quality of life of low-income Albertans, encourage work and self-reliance and provide assistance to those who are not able to achieve and maintain independence.